

November, 1999

To All Interested Suppliers:

This vendor guide is designed to share with suppliers the procedures governing the sale of commodities and services to the State of Utah. It will acquaint you with the purchasing procedures and techniques we employ and explain standard terms and conditions applicable to the procurement process.

The foundation of the State's procurement process is found in the Utah Procurement Code (63-56 Utah Code Annotated). Specific rules governing procurement have been established by the Utah Procurement Policy Board and may be found in the Utah Administrative Code (Section R33). Fair and open competitive bidding provides the basis for the State's procurement process.

Annually, the Utah State Division of Purchasing procures over \$400 million in supplies, equipment, services and construction. We invite you to participate in an automated service to inform you of potential bid opportunities with the state. The service is called the AUTOMATED INFORMATION MAILING SYSTEM (AIMS). One of its functions is to automatically match suppliers to commodities and prepare an invitation to bid/requests for proposal for each supplier interested in providing a given commodity or service.

There is a fee of \$18.00 per year for in-state suppliers and \$78.00 per year for out-of-state suppliers for inclusion on the AIMS. This fee entitles you to receive all bids/RFPs sent out from our office on each commodity code listed on your application form. Placement on the AIMS is not a mandatory requirement to be able to bid with the State. However, you will not automatically receive IFB/RFPs if you are not on the AIMS. An application form is enclosed if you choose to subscribe. If you have access to the Internet, you may subscribe on-line at

<http://www.purchasing.state.ut.us/subscriptions>.

For those who choose not to use the AIMS system, the Division of Purchasing will advertise IFB/RFPs over \$20,000, in the Salt Lake Tribune and the Deseret News, or you can visit the Division during normal business hours to obtain information regarding bidding requirements under \$20,000 which are available.

We encourage all qualified vendors to offer their commodities and services to the State of Utah. We welcome your questions or comments.

Sincerely,

Douglas G. Richins  
Director of Purchasing

Attachments

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## ***A VENDOR'S GUIDE TO DOING BUSINESS WITH THE STATE OF UTAH***

### ***GENERAL INSTRUCTIONS***

#### **WHAT IS PURCHASED**

State government is one of Utah's largest consumers. The Division of purchasing is the State's centralized procurement arm. The Division has a service oriented function: where professional purchasing agents assist agencies in obtaining all supplies, equipment, services or construction needed. Annually, these purchases exceed \$400 million. This includes a very wide variety of products and services. As stated in the State law, the purpose of a regulated, competitive procurement process is as follows: to ensure fair and equitable treatment of all persons who deal with the procurement activities; and to foster effective broad based competition within the free enterprise system.

The Division of Purchasing coordinates all procurements for all State agencies with the following exceptions:

State highway design and construction projects are procured by the Utah Department of Transportation (UDOT), 4502 South 2700 West, Salt Lake City, UT 84119.

Major building design and construction projects are procured by the Utah Division of Facilities Construction and Management (DFCM), 4110 State Office Building, Salt Lake City UT 84114.

#### **SMALL PURCHASES**

State agencies are authorized to make small purchases (less than \$2,000) without involvement of the Division of Purchasing. The agency obtains price quotations and directly makes the award. It should be noted, however, that agencies may not purchase goods or services that are on term statewide contracts from other than the term contract supplier(s). If you believe your firm may be able to supply particular goods or services within this small purchase category, you should contact appropriate agencies directly.

#### **CONTRACT TYPES**

There are several types of contracting methods used by the State in making purchases. The purchasing agent selects the appropriate type from among the following types most often used:

**Purchase Order:** Used when making one time or spot purchases. Purchase requirements are clearly described on the solicitation or purchase order. Completion of the contract is not anticipated to need more than three partial payments.

**Statewide Contract (PD):** This is a term contract established for items purchased by multiple state agencies, institutions of higher education, school districts, and other political subdivisions of the State. The contract term is usually for one year with options to extend for additional years. Consolidating these purchases generally results in volume savings and reduced administrative time and costs.

Statewide Price Agreement (PA): These are similar to the PD contracts, but are usually negotiated agreements with sole source suppliers. Agencies have the option to use or not. These agreements provide firm pricing and should result in savings due to volume purchasing.

Agency Contract: This method is used when the product or service is specific for the needs of one agency, and is not in demand by other agencies. It is also used in lieu of a purchase order when more than three partial payments are anticipated to be made, or the scope of work cannot accurately be digested on the face of a purchase order.

## PROCUREMENT METHODS

The Division uses three basic types of source selection methods:

Request for Quotation (RFQ): This method utilizes an informal solicitation for small purchases not exceeding an aggregate amount of \$20,000. Written, fax or telephone quotations may be used. The buyer may, at his/her option, award a contract immediately upon expiration of the target date and time or continue soliciting and receiving quotations for a reasonable time thereafter. Vendors are strongly encouraged to provide an immediate response to an RFQ since the period of time is short and awards are usually prompt.

Invitation for Bid (IFB): This is a formal competitive bidding process used for purchases exceeding \$20,000. Notice of the IFB is supplied to all suppliers on the Automated Information Mailing System (AIMS). The IFB contains specifications, contractual terms and conditions and the evaluation criteria for award. Bids are opened publicly at the time and place designated in the IFB. The contract is awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the IFB.

Request for Proposal (RFP): The competitive sealed proposal process is used when the procurement officer determines that the RFP process is more advantageous to the State than the IFB process. The RFP process is used when the needs of the state agency may not be completely clear, negotiations may be necessary, and cost is just one of several criteria necessary to make an award. Usually the RFP process is used to procure professional or human services or high technology type equipment. An RFP will contain technical specifications of a Scope of Work for which the offeror must respond with a sealed technical proposal and prices. A formal proposal close date and time will be specified, following which any proposal received will not be considered. Evaluation criteria will be established and listed in the RFP and used by the Division to select the contractor. Frequently evaluation committees are impaneled to assist in the evaluation of proposals. At the proposal opening only the names of the offerors are disclosed. After award of the contract, the successful proposal becomes public information.

## AUTOMATED INFORMATION MAILING SYSTEM

The Division maintains a mailing list of prospective bidders for each commodity item. Every registered bidder will receive, by an automated mail addressing operation, all IFB/RFPs on items listed on the bidder's approved Vendor Application for Registration (exception noted

below). The Division will exercise all possible and reasonable care to avoid mechanical and other failures in this mail addressing operation. However, failure of the Division's automated addressing system to address an IFB/RFP envelope or label to a bidder, utilization of an incorrect bidder's address or failure of the post office to deliver an IFB/RFP to a bidder will not constitute cause for other bids/proposals received to be rejected and the requirements to be readvertised. Also, the Utah Procurement Code, UCA, Section 63-56-22 (small purchases), Section 63-56-23 (sole source procurements) and Section 63-56-24 (emergency procurements), authorize the Division of Purchasing to make purchases outside the formal bid process under specific conditions.

Manufacturers, suppliers and others who desire to furnish supplies, materials, services and equipment to the State should request, fill out and return an application to the Division for inclusion on the Automated Information Mailing System.

Since the fee we must charge vendors is directly related to the number of IFB/RFP we must mail, prospective bidders are urged to seriously consider the items which they include on their application and to list only those items which they can supply on a regular and routine basis. No individual or firm will be placed on the Automated Information Mailing System for informational purposes only.

Items may be added to or deleted from the approved Vendor Application for Registration by requesting such additions or deletions in a letter signed by a person authorized by the firm to sign bids and execute contracts in the name of the firm (Authorized Signature). Please retain the Vendor Guide for future references.

Changes of address or person(s) authorized to sign bids and execute contracts in the name of the vendor must be made by letter with an authorized signature. If the person(s) whose authorized signature(s) is on file at the Division is not able to sign the requests for changes, then the letter requesting such changes must be made by an officer of the company. Routine correspondence or bids showing different addresses and/or signatures are not considered authorized changes nor valid requests for change. Failure to keep the Division advised of changes of address or persons authorized to contract for the firm could result in misdirected mail and/or may cause a bid to be disqualified because of an "unauthorized signature".

A bidder may be removed or temporarily suspended from the Automated Information Mailing System for one or more of the following reasons:

1. Failure to pay registration fee
2. Failure to make delivery as promised
3. Misrepresentation of merchandise
4. Failure to make satisfactory adjustments promptly
5. Unethical practices
6. Failure to furnish a bond when required
7. Failure to submit bids on three consecutive solicitations on any one item will result in removal of that item

Once a bidder has been removed, he/she may not be reinstated on the Automated Information Mailing System until after a favorable decision by the Director of Purchasing upon formal request by the bidder for reinstatement. A bidder who has been temporarily suspended

may have the suspension rescinded upon prompt correction of the reasons for suspension. Failure to correct the reasons for suspension will result in removal from the Automated Information Mailing System and forfeiture of the registration fee.

Records of failures to comply fully with bids and resulting awards and/or orders become part of the bidder's permanent file, which may be used in determining the award of a bid.

A firm does not have to be on the AIMS system to bid with the State. If a supplier chooses not to subscribe to the AIMS system, they can learn of bid opportunities by coming to the office of the Division of Purchasing where a listing of current open bids is kept. The Division also publishes a legal notice in the Salt Lake Tribune and Deseret News announcing all procurements anticipated to exceed \$20,000.

## SOLICITATIONS

Invitation for bid (IFB), or Request for Proposals (RFP) are issued by the Division for open market, scheduled buys and term contract purchases as described below:

Issuance - IFB/RFPs are mailed automatically to each bidder listed under the applicable item on the Automated Information Mailing System. The State of Utah reserves the right to mail IFB/RFPs for open market, scheduled buys or contract purchases to any prospective bidder when it is in the best interest of the State to do so.

Cancellation and Amendment - IFB/RFPs may be canceled by the Division before and after the bid opening. Amendments to any IFB/RFPs will be made by the issuance of an addendum to all bidders on the Automated Information Mailing System for the particular item prior to the bid opening. Receipt of this addendum must be acknowledged.

Correspondence - Any correspondence with the Division relating to an IFB/RFP should make reference to the requisition number shown on the IFB/RFP and give the bid opening date. The requisition number is considered the IFB/RFP number on solicitations.

Example:	RE:	Opening Date	January 01, 1998
		Time	4:00 pm
		Requisition No.	CE9999

## BIDS / PROPOSALS

Each vendor on the Automated Information Mailing System or any other prospective vendor is encouraged to submit bids on each item in the IFB/RFP that he/she can supply in accordance with the terms and conditions stated in the IFB/RFP. Items which are offered for sale to the State of Utah must meet the particular specifications listed on the IFB/RFP (see Specifications Section page 3).

### Preparation

1. Bid / Proposal Forms - Bids/proposals must be submitted on the Division of Purchasing IFB/RFP form. Bidders/offerors should read carefully the entire

IFB/RFP. Bidders/offerors must comply with the terms and conditions which are in conflict with those of the Division constitute a counter offer and are not acceptable as bids.

2. Prices - Prices offered by the bidder must be made in compliance with the terms set forth below:
  - a. Firm prices are required on all bids where certain contract IFB/RFPs expressly request or permit "discount-from-list" prices. Cost - plus a percentage of cost and unlimited price escalation clauses are prohibited as stated in the Utah Procurement Code, UCA Section 63-56-29.
  - b. Freight charges must be included in the price quoted on the basis of an "F.O.B. Destination" bid, unless otherwise specified.
  - c. Federal Excise and Utah State Sales Taxes should not be included in the price quotation. The State is exempt from such taxes.
  - d. Trade discounts, if offered, must be clearly shown in the space provided on the IFB/RFP, and may be used in determining the low bid.
  - e. Cash discounts, if offered, must be clearly shown in the space provided on the IFB/RFP, and may be used in determining the low bid.
  - f. Mathematical errors in quoting prices may be grounds for release of the bidder from his/her bid prior to award when such errors are obvious and self-evident. However, if a price is questioned, the Division can request a bidder to confirm the price offered. In the event of a discrepancy between the unit price and the extended price, the unit price will govern.
  - g. Bids are restricted in their application to a single bid opening: a bidder may not condition his/her bid upon any other bid, such bids will not be considered.

#### Submission of Bid/RFP

1. Identification of Bid/RFP Envelope - Each bid/RFP must be returned to the Division in a separate envelope, signed, sealed and properly identified on the outside of the envelope in accordance with the instructions set forth in the IFB/RFP. Do not mail two separate bids in the same envelope! See below for correct envelope identification:

From: ABC Company  
123 Sego Lily Ave  
Anywhere UT 84999

To: State of Utah  
Division of Purchasing  
3150 State Office Building  
Capitol Hill  
Salt Lake City UT 84114-1061

Bid/RFP to be opened:  
Date: January 01, 1998  
Time: 2:00 pm  
Bid No. CE9999



If an envelope is not adequately identified, it must be opened to establish proper bid identification information and will be processed as any other bid. However, this results in an unsealed bid and violates the integrity and purpose of the sealed bid procedure. Consequently, bidders are urged to make certain that the envelope is adequately identified.

2. Signature on Bid/RFP - Bids/RFPs must be manually Signed by an official designated on the Vendor Application for Registration. Unsigned bids are automatically disqualified. Bids reflecting an “unauthorized signature” may be disqualified.
3. Faxed Bids/Proposals - Because the submission of an IFB/RFP is a formal process, State law requires that they come to the Division in a sealed envelope. Therefore fax transmission of bids and proposals to the Division will not be considered. On informal RFQs faxed quotes are considered. However, faxed quotes on RFQs are submitted at the risk of the vendor. Access to the State facsimile machine is on a “first come, first served” basis and the State does not guarantee the vendor’s access to the machine at any particular time.
4. Bid Proposal Deposit - A bid/proposal deposit is not required with the submission of a bid/proposal unless it is specifically requested in the IFB/RFP.
5. Performance/Payment Bonds - On most purchases, a performance bond will not be required unless it is specifically requested in the IFB/RFP. However, by State law performance and payment bonds are required on all construction contracts.
6. Samples - Samples, when required in the IFB/RFP and/or specifications, are to be supplied at no expense to the State. Samples must be in the Division no later than the time and date set for bid opening. Samples must be properly identified with the requisition number and commodity item number, as well as the bidder’s name and address. Samples not destroyed in examination, will be returned to the bidder at his/her expense upon written request by the bidder at the time of submission of the sample. Otherwise, the Division will dispose of samples after award.

#### Amendment of Withdrawal of Bid/Proposal

Amending and/or withdrawing a bid/proposal is permissible if such request is received from the bidder by the Division prior to the bid opening date and hour. Amendments may be made by telegraph or by letter. Price quotations on unit prices may not be increased or decreased after the date and hour set for bid opening.

#### SPECIFICATIONS

The specification and/or description of the item being purchased will be written to invite open competition. Merchandise offered must be new merchandise, unless the individual agency specifically requests used merchandise in the IFB/RFP. “Demonstrator”, rented or reconditioned merchandise is not considered new.

Workmanship on products offered must be first class in every respect - as good or better than that sold to the commercial trade.

IFB/RFPs will have one of the following requirements specifying the level of quality desired:

**Utah Specifications** - Utah specifications will be cited in the IFB/RFP whenever the merchandise being purchased is covered by a Utah specification. The Specification Section of the Division prepares technical specifications covering articles to be purchased. As these specifications are adopted, they are distributed to the using agencies and to bidders who are on the Automated Information Mailing System. Bidders and state agencies should retain copies of specifications for reference and information. Any bids submitted for products whose quality is governed by Utah specifications must be in complete conformity with such specifications.

**Standard Specifications** - Specifications prepared and issued by standards or specification organizations which are generally known to the seller and to the industrial trade may be used to indicate the level of quality and other requirements for an item. Examples of such organizations are Federal Standards, Underwriters Laboratories (UL), American National Standards Institute (ANSI) and others.

**Purchase Specifications** - A description of the item, product or article may be given in an IFB/RFP to specify minimum requirements. These purchase specifications may be brief or complex and may be used in lieu of Utah or standard specifications or other criteria in establishing the minimum requirements for supplies, materials, services and equipment.

**Brand Name or Equal Specifications** - A descriptive and/or brand name "or equal specification may be used when a Utah or other specification is not available. The item being purchased will be adequately described to solicit competitive bidding. If brand name "or equal" is used as a reference, it is intended for descriptive purposes only and is not intended as a restrictive specification. In such cases, the bidder must clearly state the brand, type, model, etc., that is being offered and must support such offer with adequate specifications and properly marked descriptive literature of the product being offered as "equal". If the bidder does not take exception to the specification referenced in the IFB/RFP or does not provide detailed descriptive information on the product offered, the Division will assume the bidder proposes to furnish the exact item referenced in the IFB/RFP. Proof that the item offered is "equal to or exceeds specification" is the responsibility of the bidder.

## **BID OPENING AND AWARD**

**Bid Opening** - Advertised Bids/RFPs shall be opened by the Division at the time and place stated in public notices and/or IFB/RFP. Each vendor and/or his/her representative may attend the bid opening if so desired.

**Tabulation** - A tabulation of bids is available for public inspection in the Division office during normal working hours. Generally this tabulation is available approximately 72 hours after following the bid opening. This tabulation remains on public file for approximately 60 days after the bid opening. After that time, information may be

obtained by contacting the appropriate purchasing agent. On proposals, the tabulation will contain only the names of the firms submitting offers.

**Award** - The Division will evaluate bids and make awards for supplies, materials, services and equipment on the basis of the "lowest and best bid" which meets the specifications. The Division reserves the right to make split awards and will do so if it is in the best interest of the state. Proposals are evaluated based upon the criteria including price indicated in the RFP. The award is made to the firm whose proposal is determined to be the most advantageous to the State.

**Late Bids/Proposals** - Any bid/proposal submitted after the date and time designated in the IFB/RFP will not be accepted. This regulation does not allow for exceptions, thereby preserving the State's policy of equal treatment toward all vendors.

**Review of Award/Protests** - Any question regarding an award should first be discussed with the appropriate purchasing agent in the Division. Protests and appeals of Division actions are governed by the Utah Procurement Code and must be timely filed in writing to the Chief Procurement Officer, 3150 State Office Building, Salt Lake City, Utah 84114.

## PURCHASE ORDERS

**Issuance** - Purchase orders for items obtained under open market purchasing procedures are issued by the Division to the Successful bidder.

**Cancellation** - Purchase orders may be canceled under the following conditions:

1. A purchase order may be canceled by the vendor requesting agency only with prior approval of the Division of Purchasing.
2. The Division may cancel a purchase order because of unsatisfactory performance or no performance by the contractor.
3. A contractor may request a cancellation of a contract or a portion thereof, because of circumstances beyond his/her control. In these instances, the Division will consider such requests when presented in writing with proper documentation.

## DELIVERY AND INSPECTION

### Delivery

Unauthorized Substitutions - Product substitutions shall not be made by any contractor or supplier without prior approval of the Division. No approval will be granted unless the substituted items are of equal quality and at or below the price quoted. In the case of approved substitutions, the receiving agency shall be notified by the Division.

Packaging or Damages (F.O.B. Destination) - Items shipped in fulfilling individual orders must be individually packaged. A packing slip must be included. In the event that damaged goods are delivered to the receiving agency, the agency will note the damages on the freight bill and notify the contractor immediately. It shall be the contractor's responsibility to make immediate replacement of the damaged merchandise. If only a portion of a shipment is found to be damaged and the agency

will not be inconvenienced by the shortage, the contractor may deduct the amount of damage or loss from his/her invoice to the agency. In these cases, replacement of the damaged goods would not be required.

Default by Contractor - If a contractor fails to deliver by the promised date(without prior notice and reasons acceptable by the requesting agency), or if suppliers are rejected for failure to meet specifications, the Division has the right to treat the contract as being defaulted and to purchase such supplies, materials services or equipment elsewhere, as per section 6-106 of the Procurement Rules.

If a contractor has purchase orders in his/her possession which have not been filled within the promised time limits, the Division reserves the right to withhold issuance of further orders (temporary suspension from Automated Information Mailing System) to such contractor until all back orders have been filled and acceptable assurance is given to the Division that the experience will not be repeated. Under these conditions, the Division may also elect to cancel the contract and re-awarded to the next lowest bidder or to re-advertise for bids. The interest of the affected agency will be the primary factor in determining which course of action to follow.

#### Inspection

The Division of Purchasing may visit the using agencies to inspect merchandise delivered, check complaints, etc. to determine the true status of transactions where difficulty has been experienced. Reports are made and when necessary, proper action leading to correction of the difficulty and protection of the State's interest will be taken.

### COOPERATIVE PURCHASING

Utah statutes provide that statewide contracts administered by the Division may be extended - if agreed to by the vendor in the bid document - to political subdivisions. Examples of political subdivisions are: state colleges and universities, school districts, municipalities, counties, etc. Whenever these entities elect to purchase under a statewide contract, they are not required to obtain additional bids and contact the contract vendor directly. When utilizing these contracts, the governmental entities are responsible for issuing the purchase release and processing payment.

### PRINCIPLES AND STANDARDS OF CONDUCT

The Division subscribes to the Principles and Standards of Purchasing Practices advocated by the National Association of Purchasing Management. Through These principles, we subscribe to honesty and truth in buying and selling. Utah law prohibits State employees from receiving gifts or gratuities as a result of any purchase or contract entered into by the State of Utah. Your cooperation in respecting this commitment is appreciated.

# State of Utah

**<http://purchasing.ut.gov>**

# VENDOR APPLICATION FOR REGISTRATION (PUBLIC INFORMATION)

MAIL TO:  
Division of Purchasing  
AIMS Coordinator  
PO BOX 141061  
Salt Lake City UT, 84114-1061  
(801) 537-9022  
FAX: (801) 538-3882

**Delivery Address:**

Please deliver bid notices to:

- 9 the e-mail address below  
9 the postal address below

Company Name \_\_\_\_\_

Contact Person\_\_\_\_\_

Address \_\_\_\_\_

PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

ZIP \_\_\_\_\_ - \_\_\_\_\_

Phone( ) -

Fax( ) - \_\_\_\_\_

E-Mail Address\_\_\_\_\_

**Remittance Address:**

Please send renewal notices to:

- 9 the e-mail address below  
9 the postal address below

Company Name \_\_\_\_\_

Contact Person\_\_\_\_\_

Address\_\_\_\_\_

PO Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

ZIP \_\_\_\_\_ - \_\_\_\_\_

Phone( ) - \_\_\_\_\_

E-Mail Address\_\_\_\_\_

Completion of the application requires identification of the commodities of interest to your company. If you do not have a commodity code listing, an electronic copy may be obtained from

<http://www.purchasing.state.ut.us/bidprocessing/comcode.pdf>

To request printed copy (fee \$10.00), email [pamain.receptionist@state.ut.us](mailto:pamain.receptionist@state.ut.us) or call 801-538-3026.

List 5-digit item numbers for invitations on which you wish to bid ( see commodity list). Attach additional page if needed.

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